SHRI AJIT P. K. JOGI : Let there be a full discussion on this so that the facts will come out... (*Interruptions*)...

SHRI SOMAPPA R. BOMMAI : The hon. Finance Minister says that the whole situation has arisen because of the loan waiver scheme. I would like to know what the amount involved in the loan waiver was and what the amount involved in the scamp was and who was responsible for the scamp.

THE DEPUTY CHAIRMAN : I think this is your second supplementary.

SHRI MANMOHAN SINGH : If it will please the hon. Member, I can tell him the amount involved in the loan waiver scheme. The total cost to the State Governments and the Central Government far exceeds the amount involved in the loan melas and the scamp money.

THE DEPUTY CHAIRMAN : Question No. 322... (*Interruptions*)... Mr. Jaipal Reddy, I moved on to another question. That is also regarding banking.

Bad debts declared by various nationalised banks

*322. SHRI K. R. MALKANI : Will the Minister of FINANCE be pleased to state :

(a) the details of bad debts above Rs. 1 crore declared by various nationalised banks during the last three financial years;

(b) the five biggest defaulting parties in each year for each of the banks; and

(c) the names of Chairmen of these banks during those three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASEKHAR MURTHY) : (a) to (c) A Statement is laid on the Table of the House.

Statement

Bad debts declared by various nationalised banks

(a) The bad debts declared by various nationalised banks during the last three financial years as reported by Reserve Bank of India are as under :—

(Rs. in crores)

Year	Amount
March, 1991	407·14
March, 1992	547·94
March, 1993	971·24

Separate information regarding bad debts above Rs. 1 crore is not available.

(b) In accordance with the statutes governing the nationalised banks and in keeping with the practices and usages customary amongst bankers, information relating to the affairs of their constituents is not disclosed.

(c) The names of Chairmen and Managing Directors of the nationalised banks who were in position during the last 3 years are given in the enclosed list.

LIST

Name of the Bank	Name of the CMD	Period
1	2	3
Allahabad Bank	Sh. R. L. Wadhwa	28-4-88 to24-6-92
Bank of Baroda	Dr. A. G. Shah	20-2-90 to 28-2-93
Bank of India	Sh. R. Srinivasan	24-6-87 to 29-8-91
	Sh. G. S. Dahotre	5-2-92 to 31-1-95
Bank of Maharashtra . . .	Sh. T.K.K. Bhagwat	28-8-89 to 5-5-93
Canara Bank	Sh. N. D. Prabhu	21-9-88 to 28-8-91
	Sh. J. V. Shetty	5-2-92 to 31-8-96
Central bank of India . .	Sh. N. M. Mistry	11-4-90 to 30-8-91
	Sh. S. Subramanayam	4-2-92 to 30-9-93
Indian Bank	Sh. M. Gopalakrishnan	8-12-88 to 7-6-94
Indian Overseas Bank . . .	Sh. P. S. Gopalakrishnan	5-12-87 to 25-11-92

1	2	3
Punjab National Bank . . .	Sh. Rashid Jilani	7-3-90 to 6-3-95
Syndicate Bank	Sh. P. S. V. Mallya	5-9-86 to 4-11-91
Union Bank of India . . .	Sh. B. D. Dixit	29-4-89 to 14-7-90
	Sh. S. P. Talwar	16-7-90 to 18-4-93
United Bank of India . . .	Sh. J. V. Shetty	12-10-88 to 4-2-92
	Dr. A. K. Bhattacharya	12-2-92 to 30-11-93
UCO Bank	Sh. K. Manmohan Shenoi	2-8-86 to 27-12-90
	Sh. K. Margabandhu	11-9-91 to 8-7-92
Dena Bank	Sh. G. S. Dahotre	9-6-88 to 4-2-92
	Sh. S. Doreswamy	5-2-92 to 4-11-93
Andhra Bank	Sh. K. Ramachandra Nayak	21-4-88 to 30-6-92
Vijaya Bank	Sh. K. Sadananda Shetty	8-6-84 to 21-9-90
	Sh. K. Shivaram Shetty	22-6-92 to 30-6-92
	Sh. B. B. Shetty	1-7-92 to 31-1-96
Corporation Bank . . .	Sh. Y. S. Hegde	16-2-83 to 9-7-90
	Sh. K. R. Ramamoorthy	5-2-92 to 4-2-97
Oriental Bank of Commerce . .	Sh. S. P. Talwar	7-4-88 to 15-7-90
	Sh. S. K. Soni	16-7-90 to 15-7-95
Punjab & Sind Bank . . .	Sh. M. S. Chahal	5-1-89 to 31-7-92
	Sh. K. S. Bains	1-8-92 to 31-5-95
Ne wBark of India (Erstwhile)	Sh. R. C. Suneja	16-3-85 to 20-4-90
	Sh. V. B. Chadha	15-11-91 to 4-9-93

SHRI K. R. MALKANI: Madam, Deputy Chairman, the state of affairs revealed by this reply makes more scandalous reading than even I have feared. I have two supplementaries to put to the Minister: (a) by withholding information about these defaulting parties, aren't the banks trying to cover up the frauds in the name of confidentiality? and (b) will the Government or the authorities concerned amend the necessary statute so that this information becomes available to the country?

SHRI M. V. CHANDRASEKHAR MURTHY: Madam, Deputy Chairman, in my main reply I have made it very clear that in accordance with the statutes governing the nationalised banks and in keeping with the practices and usages customary amongst bankers, information relating to the affairs of their constituents is not disclosed. However, as stated earlier in my previous reply to a supplementary, the hon. Finance Minister in his Budget speech has indicated that the names of the defaulters of payment of dues to the banks will be pubilshed and the modalities are being worked out and the matter is being reviewed by the Reserve Bank of India.

SHRI K. R. MALKANI: Madam, Deputy Chairman, my supplementary number two is: What is the action taken by the Government against defaulting parties? What is the action taken against the Boards and Chairmen of the Banks who are responsible for all these bad debts?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Madam, in a large banking system like ours, as in other banking systems, it is inevitable that some loans will turn bad. Every precaution is taken to ensure that the amount of bad debts is minimised. If you look at the system, as a whole, for the financial year 1992-93, the total risk-related assets of our banking system amounted to Rs. 1,19,321 crores and the loss assets amount to more than Rs. 2,000 crores, which is 1.9 per cent of the total. This is not unusually a large sum. But I do not condone it and whenever these matters of bad debts are involved, the Boards of Directors have the

obligations and powers to look into all these matters. Beyond that, I do not believe that these matters can be looked at by the Government.

SHRI TRILOKI NATH CHATURVEDI: Thank you, Madam Chairperson. Madam, the earlier question and the present question acquire a poignancy. The Finance Minister will remember that this is the silver jubilee year of the nationalisation of the fourteen banks... (*Interruptions*)...Not only that, so many other celebrations are also being held. But I do not understand why there is not kind of euphoria or enthusiasm, so far as celebration of the silver jubilee of the nationalisation of the fourteen banks is concerned. This is a part of the Ministry of Finance.

Madam Chairperson Rs. 5,600 crores were provided to increase the capital adequacy of the banks last year. A similar provision has been made this year also. The Finance Minister talks of the banks going to the public and the farmers being taken care of; is it not possible for the Finance Minister to postpone this Rs. 5,600 crores as provision towards capital adequacy of the banks and transfer this amount to the farming community? This is part (a) of my question.

THE DEPUTY CHAIRMAN: I think if you put a question which is straightforward, it will be better. Then you can get the answer properly.

SHRI TRILOKI NATH CHATURVEDI: Madam, Deputy Chairperson, so far as the Finance Minister is concerned, you are well aware of his capability of handling even very tangled webs. That is why we are back... (*Interruptions*).

THE DEPUTY CHAIRMAN: Put your question, please.

SHRI TRILOKI NATH CHATURVEDI: With the new provision that he has made and in the light of the new developments that are taking place—expansion of branches and opening of new banks—, does he think that even if he does not transfer this amount for the use of the farming community, the measures that he has taken will take care of the nationalised banks in the wake of the onslaught of the foreign banks? He has given the figures also as to the growth rate of the foreign banks, the profits made, the expansion of new banks in the private sector, etc.

SHRI MANMOHAN SINGH: Madam, the national banking system does not face any type of onslaught which hon. Member fears. Foreign banks in this country have not more than 140 branches and their contribution to deposits does not exceed about 10 per cent. And therefore, I think the bulk of the deposits and the assets and liabilities of the banking system are with the Indian banks and therefore, there should be no danger that these foreign banks are going to take over a big part of the business of banking in our country.

The first part of the question was why I did have to give Rs. 5,700 crores to add to the capital assets of the banking system. I did that last year. This year, again, I have repeated it because I do not want the Indian banks to become sick. It is because consistent with international obligations, if Indian banks, particularly those which have branches abroad, do not conform to international standards, people will not accept their letters of credit. In fact, a situation had been reached, when I became the Finance Minister, when the letters of credit of some of the most reputed banks in this country were not being accepted. I need to do this to strengthen people's faith in our banking system. That is the reason why this amount was earmarked last year, I have to repeat it this year and may be, I will have to repeat it next year too.

SHRI JAGESH DESAI: Madam, Deputy Chairperson, I think the whole issue has to be gone into by the Finance Ministry, as to the major reason for the jump from Rs. 400 crores to Rs. 500 crores. In 1992-93, it was Rs. 971 crores. I read it in the newspapers. The Chairman of the Bank of India has said that this year, the loss of the Bank will be a colossal amount of Rs. 1,600 crores even though there are operative profits. That means they must have written off bad debts. I would like to know from the Minister separate information as to bad debts. If what I understand and know is correct, if they want to write off bad debts beyond a certain limit, the banking Department has to be informed. If I remember correctly,

it is over Rs. One crore. They have to inform the Banking Division in such cases. I am sorry that they had said that there is no information. But at least I would like to know how many account-holders' amounts have been written off so that we can know the average amount written off against each person. In league with the officers of the banks, big industrialists have taken colossal amounts as loan. I would like to have from the Minister whether he would inquire as to what the reasons are for the bad debts, why the parties have not paid and who the persons are. If they do not let us know these details, at least, we should know how many account-holders were there. At least, let us know as to how many account holders were there. If that is done, then the system will improve. Otherwise, I feel that this year also, the total bad debts written off by the banks, will not be less than Rs. 10,000 to Rs. 20,000 crores. From where are you going to get the money? I would like to know this thing from the Hon. Minister.

SHRI MANMOHAN SINGH: I don't have that information and as, I said in the beginning, we need a separate question for that.

SHRI JAGESH DESAI: Madam, if I remember correctly, it was stated before the Committee of Assurances of which I was the Chairman, that above some limit, we have to inform the Banking Division.

SHRI ASHOK MITRA: Madam, I have seen data sourced to the Ministry of Finance which suggests that the total quantum of funds defaulted to the banks amounts to something like Rs. 38,000 crores of which as much as Rs. 30,000 crores are on account of the corporate sector and not the farming sector and I am a little foxed at a suggestion that for statutory reasons, the names of the big defaulters cannot be disclosed. For a number of years, I was in charge of the finances of a State Government and my banker was the Reserve Bank of India. Every week, the Reserve Bank of India with great glee, used to issue public statements about how much I was owing to the Reserve Bank. If that was the case, I simply do not understand why the Minister cannot disclose how much the corporate sector owes to the Government. My second question is that this has been done in the neighbouring country of Pakistan. If there were any impediments, the law as amended in Pakistan took care of those impediments. Why can't we take care of these impediments? Whom are we protecting and why are we protecting?

SHRI MANMOHAN SINGH : Madam Deputy Chairman, the hon. Member has raised questions about the West Bengal overdraft and why the statements in respect of the overdraft had to be released. They had to be released because there was a dispute between the then Finance Minister of West Bengal and the Reserve Bank of India with regard to what the overdraft figure was and the fact of the matter is that the Reserve Bank subsequently convinced the hon. Chief Minister of West Bengal that the Reserve Bank could keep proper accounts, contrary to what the fears of the then Finance Minister were. (*Interruptions*).

THE DEPUTY CHAIRMAN : I won't permt this intervention. When the Minister is answering, please lisen to him.

SHRI MANMOHAN SINGH : With regard to the second part of the question, my coleague mentioned, and I mentioned it in the Budget speech, that we are going to make a beginning that regarding those who are defaulters, the Reserve Bank of India will evolve a system to circulate the names of these defaulters to all the banks o that the other bankers are careful. (*Interruptions*). Thirdly, when a stage is reached that a bank has to file a suit gainst a defaulter, the Reserve Bank will publish that list. I have already stated hat. (*Interruptions*).

THE DEPUTY CHAIRMAN : I have he names but I can call them one by one and not all together.

श्री राघव जी : उपसभापति महोदया, प्रश्न का उत्तर जिस प्रकार से दिया गया है उस से यह स्पष्ट होता है कि प्रश्न के मुख्य भाग को जान-बूझकर छिपाया गया है क्योंकि जो वेड डैटस होते है वह अधिकांश दिवालिऐ होते है । उनके लिए नोटिस जारी होते है । एक करोड़ से ऊपर की संख्या बताने में क्या तकलीफ हो सकती थी ? मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि मार्च, 1991 को समाप्त .. वाले वर्ष में 760 करोड़ रुपए के बैंक डैटस थे जो मार्च 1993 में दुगुने से भी अधिक हो गए । तो इनके दुगुने से अधिक होने का क्या कारण है ?

माननीय मंत्री जी बताएंगे कि ऐसे कितने प्रकरण है जिन में ऋण वितरण में अनियमितताएं बरती गई, नियमों का पालन नही किया गया है ? उन मामलों में संबद्ध अधिकारियों के ऊपर क्या कार्यवाही की गई है, यह मैं माननीय मंत्री जी से जानना चाहता हूँ ।

. . . (*Interruptions*) . . .

SHRI M. V. CHANDRASHEKHAR MURTHY : Madam, already my senior colleague, the Finance Minister, has replied to this question and the modalities have been worked out to disclose the names of the defaulters and it is receiving the RBI's attention and even if we proceed legally against the defaulters in the courts, those names are going to be published. There is nothing to add.

THE DEPUTY CHAIRMAN : Shri Hanumanthappa. . . (*Interruptions*) . .

श्री संघप्रिय गौतम : सीधी सवाल है, उत्तर भी सीधा आना चाहिए. . . . (व्यवधान)

श्री अजीत जोगी : जवाब भी सीधा था. . . (व्यवधान)

SHRI SIKANDER BAKHT : Absolutely there is no reply to the question.

SHRI H. HANUMANTHAPPA : Madam Chairperson, actually I give thanks to the Finance Minister. He has issued several instructions to the Reserve Bank to regulate its functioning, but unfortunately the answer given before the House today shows that the Reserve Bank has not changed its style of functioning. Madam, the question is regarding the details of bad debts above Rs. 1 crore declared by various nationalised banks during the last three years. The Reserve Bank gives in the answer the names of 20 banks and their Chairmen during that period but the names of banks whose bad debts were above Rs. 971 crores are not given. What was wrong in giving the names of the banks whose bad debts totalling Rs. 971 crores were declared ? Again, why should the Ministry—I mean, the Reserve Bank—hide the names of the banks ? If the information had been given, we could have known which bank has declared how much of bad debt, how much is recovered and how much is not recovered and which bank is functioning at what level. If the Ministry has got this information, it will be helpful to the House. It will be appreciated if it is published. That is number one. Number two, I think, the Minister has already answered that if there are defaulters etc., their cases will be reported, inter-bank as well as bad debt cases will be published but regarding this 'not available' information, the Reserve Bank has to be told to collect the information. Collecting it is something different from letting it out for the public.

At least you should know the names of the banks. If the statutes and the usages amongst bankers do not permit you to publish them, at least the Bank should know what it is, the Finance Minister should know it so that tomorrow he need not have to say that the main bank does not know what is happening in a branch located within a quarter of two kilometres or one kilometre from the Bombay Headquarters. Of course, I have already thanked the Finance Minister because he has given several instructions, but the follow-up is necessary under his direction.

SHRI M. V. CHANDRASHEKHAR MURTHY : Madam, I have information in regard to bad debts written off by several nationalised banks during the years 1990-91, 1991-92 and 1992-93 and a list ; if you permit me, I will lay it on the Table of the House for the information of the Members.

THE DEPUTY CHAIRMAN : You lay it on the Table of the House. Q. No. 323. . . . (*Interruptions*) . . . . We cannot go on seeking information on two questions. . . . (*Interruptions*) . . . . Mr. Gurudas Das Gupta, one minute. We have taken so much time on two questions on banking.

SHRI GURUDAS DAS GUPTA : Madam, kindly allow me.

THE DEPUTY CHAIRMAN : No. If I allow one or two Members, I will have to allow all of you. Let other Members ask other questions. . . (*Interruptions*) . .

SHRI MD. SALIM : Madam, we want one simple assurance. . . (*Interruptions*) . .

THE DEPUTY CHAIRMAN : Okay, please sit down. (*Interruptions*) . . Mr. Dave, please sit down. (*Interruptions*) . .

SHRI K. R. MALKANI : So much money is involved. (*Interruptions*) . .

THE DEPUTY CHAIRMAN: I am not permitting you. Please take your seat. (*Interruptions*)... If there are other Ministries' questions which are as important to some Members as the banking questions, we have to take those questions also. (*Interruptions*).. Mr. Gurudas Das Gupta, I know you seek my protection all the time. I must give protection to Mr. V. Hanumantha Rao. Question No. 323.

Permission for closure of Textile Mills

*323. SHRI V. HANUMANTHA RAO: Will the Minister of TEXTILES be pleased to state:

(a) the number of textile mills which have sought permission to close down in the country;

(b) what is the reaction of his Ministry in this regard;

(c) how many such mills are located in Andhra Pradesh, together with the details of ownership and location; and

(d) whether any long term strategy is planned in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) Permission for closing down of textile mills under the Industrial Disputes Act is given by the respective State Governments. As per available information no cotton/man-made fibre mill has been closed under the I.D. Act.

(b) and (c) Do not arise.

(d) Government have set up a Board for Industrial and Financial Reconstruction (BIFR) to evolve and manage Rehabilitation Packages in respect of viable sick/closed mills.

SHRI V. HANUMANTHA RAO: Madam Deputy Chairman, is it a fact that as against 896 spinning mills and 270 weaving mills, only 72 spinning and 57 weaving mills were closed down? If yes, what is the number of weavers who have become unemployed and what are the arrangements made by the Government to rehabilitate the workers?

SHRI G. VENKAT SWAMY: Madam, the total number of cotton/man-made fibre mills is 1166. Public sector, that is, NTC and STC, is 188; co-operative is 121; private is 857. The total number of textile industries in India is 1,166. The number of mills before the BIFR up to 1994 is 262. The number of mills closed is 127 and the number of mills under liquidation is 29. The number of workers in closed mills is 1,73,000. The number of mills closed in AP is nil. The total number of workers affected is 3296. The number of mills of AP before the BIFR is 50.

SHRI V. HANUMANTHA RAO: Madam, I would like to know whether lay-off compensation is paid to them or any money has been paid to them from the National Renewal Fund. If so, what is the quantum of money paid to the workers and the total number of such workers to whom assistance from the National Renewal Fund has been given? I would like to know whether wages are being paid to idle workers in the closed NTC mills. If so, how many of them have been paid the idle wages and what is the amount paid per month or per year?

SHRI G. VENKAT SWAMY: We are implementing the VRS scheme only in NTC mills.

इसके तहत 33,000 वरकर्स गये है । एन० टी० सी० मिल्स का जो टारगेट है, सरप्लस वरकर्स का, वह अभी भी वरकर्स के लिये चालू है । वह जायेंगे । मगर यह कि कितना मिलेगा, यह उनकी सर्विस के लिहाज से मिलेगा । वे लोग सहूलियत के हिसाब से वी० आर० एस० स्कीम के तहत जा रहे है ।

SHRI V. HANUMANTHA RAO: How many workers are affected in the State? (*Interruptions*)...

THE DEPUTY CHAIRMAN: Both are coming from the same State. He can tell you later. (*Interruptions*)...

DR. NAUNIHAL SINGH: Madam, will the hon. Minister be pleased to state whether it is true that the textile industry will have to fork out an all-time high of Rs. 1,356 crores as excise during 1994-95, which is Rs. 1,141 crores more than the Rs. 215 crore revenue projected in the Budget, 1994-95 to be collected from